gations, in March '98 into the imports effected by one—More Group of Companies based at Calcutta. The firms were allegedly using fake advance licences for duty-free import of various goods through different ports.

Investigations conducted in the case so far have revealed that the More Group of Companies, viz. M/s More Overseas, More International, R.K. Exports, M/s M.K. Exports, M/s Hindustan National Bag and Burlap Company Limited and M/s Uni Excel Private Limited were indulging in massive evasion of customs duty by fabricating and tampering advance licences in the name of certain fictitious firms. they had effected duty free clearances of various goods including Mulberry Silk, HDPE/LDPE/PP, Copper Cathodes, R.D.B. Palmoline Oil, etc. against various fake/tampered advance licences—the goods having been cleared through ports of Kandla, Vizag and Calcutta.

Raids carried out at a number of places, coordinated by DRI have led to seizures of Mulberry Silk valued at Rs. 3.35 crores at Kandla and Calcutta, and R.B.D. Palmoline Oil totally weighing 576.4 MT and valued at Rs. 2.05 crores at Kandla, Jaipur and Gaziabad — the goods had been cleared on the strength of fake licences. The total duty evasion on imports made against such fraudulent licences is likely to exceed Rs. 20 crores.

The investigations also revealed that Shri Aswin Kumar More, having office in Calcutta, appears to have floated a number of fictitious firms. Four persons, including Shri A.K. More, have been arrested so far for their alleged involvement in the fraud and evasion of customs duty, and further investigations are in progress.

**Illegal tradings at Indo-Nepal Border**

4538. SHRI RAJNATH SINGH 'SURYA': Will the Minister of FINANCE be pleased to state:

(a) the percentage of seizure made from illegal trading at Indo-Nepal border to the entire such seizure in India;

(b) whether it is a fact that this trade at this border is increasing over the years; and

(c) if so, measures taken to curb it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAN): (a) During the years 1996-97, 1997-98 and 1998-99 (upto 30.6.98) the value of seizures by DRI and three Customs Preventive Commissionerates on Indo-Nepal Border of various contraband goods, smuggled into India through the Indo-Nepal Border, accounted for Rs. 46.97 crores, Rs. 56.74 crores and Rs. 13.71 crores respectively. This works out to approximately 8.23%, 8.72% and 15.59% respectively, of the total seizures of smuggled goods made all over India by customs formations.

(b) Yes. According to available reports/intelligence, there is rising trend.

(c) All the officers of three Preventive Commissionerates of Customs on Indo-Nepal Border and Directorate of Revenue Intelligence are on high alert for taking appropriate measures to prevent and detect smuggling of goods from Indo-Nepal Border. Patrolling by officers of Customs has been intensified and surprise Nakabandis at appropriate points on the routes taken for smuggling of goods are being organised from time to time. Officers of Preventive formations in the interior where the smuggled goods get marketed including those in Delhi, are also keeping surveillance and vigil and have effected seizures of contraband goods which had entered India through Indo-Nepal Border. A separate Border Police force on Indo-Nepal Border along U.P. State have been posted by State Govt. of U.P. and functioning from the year 1997 and their deployment along with the efforts of Customs Commissionerate has helped in curbing smuggling.

The issue relating to smuggling through Indo-Nepal Border and concern of Indian Government has also been taken up with the HMG of Nepal in terms of the various agreements and treaties of trade and transit, in various forums, from time

to time including in recent talks at the Director General of Revenue Intelligence level held in Delhi. The issue will be further discussed in detail at the time of the renewal of the Treaty of Transit scheduled in the later part of this year.

**Disinvestment in Bongaigaon Refinery and Petrochemicals Ltd.**

4539. SHRI DRUPAD BORGOHAIN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have taken the decision to disinvestment Bongaigaon Refinery and Petrochemicals Ltd. along with other four Public Sector Undertakings, as reported in the Economic Times, Delhi Edition on 26th June, 1998; and

(b) whether this is due to the general disinvestment policy of Government as regards to the Public Sector Undertakings?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The Disinvestment Commission has made certain recommendations on disinvestment in Bongaigaon Refinery and Petrochemicals Ltd. The matter is under consideration of Government.

(b) Yes, Sir.

**Economic Sanctions**

4540. SHRI RAM NATH KOVIND: Will the Minister of FINANCE be pleased to state:

(a) what is India's commitment to carry out economic reforms for building its economy to a position of strength in the light of US sanctions;

(b) whether Government feel that the US and other foreign private investors, who are not constrained by US sanctions will continue to enlarge their business through further inflow of capital;

(c) what initiatives Government plans to implement in this regard so that the existing and future foreign investors are assured that the US sanctions will not be counter-productive to their interests and that the spirit of liberalization shall be sustained?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Economic reform is a continuous process. However, the general approach of the Government in countering the effect of sanctions is to try to get a better understanding of our position on the part of other countries and also to encourage private capital flows to substitute for whatever reduction takes place in the official flows. To this end the Government is pursuing its stated policies of encouraging inflows of foreign direct investment, NRI flows and ensuring that our economic situation is strong and such as to create confidence in financial markets.

(b) and (c) The decision of the foreign investors to invest will depend upon a number of factors which decide the relative attraction of India as a host country in comparison to other competing countries. India's economic reforms play a major role in this regard.

In conformity with the reforms policy of the Government various measures have been initiated to encourage foreign direct investment and investment from NRIs/OCBs and FIIs. The Government has allowed cover for incremental FII eqiuty investment and separated and made independent FII and NRI/OCB limits on portfolio holdings in a company. The NRI/OCB limits have been enhanced.

As per the announcements made in the Union Budget, 1998-99, Units Trust of India is planning to launch a new India Millennium Scheme to invite subscription in dollars from the NRIs. State Bank of India is planning to launch a new Resurgent India Bond denominated in foreign currencies for subscription by NRIs. Investment by the FII debt funds in unlisted domestic debt securities has been proposed. The budget also proposed measures to accelerate processing and implementation of FDI. In addition, an-